

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 COPENH 01408 201111 Z

45

ACTION EB-11

INFO OCT-01 EUR-25 IO-13 ADP-00 OIC-04 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20

CIEP-02 SS-15 STR-08 TAR-02 TRSE-00 USIA-12 PRS-01

OMB-01 RSR-01 /183 W
----- 004541

R 191631 Z JUN 73

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 7192

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

AMEMBASSY DUBLIN

USMISSION GENEVA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

LIMITED OFFICIAL USE COPENHAGEN 1408

E. O. 11652 N/ A

TAGS: ETRD GATT DA

SUBJECT: ARTICLE XXIV:6 NEGOTIATIONS AND MTN: RENNER IN
COPENHAGEN

REF: COPENHAGEN 1232

BEGIN SUMMARY: PRESENTATION BY RENNER OF US POSITION ON
ARTICLE XXIV:6 NEGOTIATIONS AND MTN RECEIVED POSITIVE RESPONSE
FROM SECOND RANKING OFFICIAL IN DANISH FOREIGN ECONOMIC
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 COPENH 01408 201111 Z

MINISTRY WHO AGREED ON NEED FOR PROMPT AND PRAGMATIC

SETTLEMENT OF ARTICLE XXIV:6 ISSUES AND FOR MUTUALLY BROAD AND LIBERAL MANDATES FOR MTN. WHILE DANES BELIEVE IT LIKELY THAT CURRENT COMMISSION POSITION ON ARTICLE XXIV:6 MAY BE TACTICAL DELAY TO OBTAIN MAXIMUM LEVERAGE FOR LAST MINUTE PRAGMATIC SOLUTION, THEY ALSO SEE DANGER OF FRENCH HOLDOUT ON BOTH THESE NEGOTIATIONS AND MTN MANDATE, WITH PRINCIPAL INTENT OF DELAYING START OF MTN UNTIL NEXT SPRING. IF FRENCH SHOULD ATTEMPT AND SUCCEED IN THESE DELAYING MANEUVERS, THEY WOULD, IN DANISH OFFICIAL'S VIEW, PROBABLY USE INTERVENING TIME TO PUSH STRONGLY FOR MORE RAPID MOVEMENT TOWARD EC ECONOMIC AND MONETARY UNION WHICH WOULD BECOME NEW CHIEF BOND OF "COMMUNITY IDENTITY" IN PLACE OF CXT AND CAP. LATTER COULD THUS BE MORE EASILY (IN DANISH ASSESSMENT OF FRENCH VIEWS) PUT ON NEGOTIATING TABLE. END SUMMARY.

1. DEPUTY ASST SECY RENNER WITH E/ C OFFICER MET JUNE 18 WITH FONOFF UNDER SECRETARY FOR ECONOMIC AFFAIRS JENS CHRISTENSEN ON FINAL STOP OF EC CAPITALS TOUR ON ARTICLE XXIV:6 AND MTN ISSUES. OTHER LEADING POLICY LEVEL OFFICIALS INVOLVED IN THESE ISSUES WERE ATTENDING 113 COMMITTEE MEETING IN BRUSSELS.

2. RENNER MADE PRESENTATION ALONG LINES TAKEN IN OTHER CAPITALS , EMPHASIZING POLITICAL AND ECONOMIC IMPORTANCE TO US OF PROMPT AND PRAGMATIC SETTLEMENT OF ARTICLE XXIV:6 NEGOTIATIONS AND OUR CONCERNS OVER PROPOSED REVISIONS IN EC TRADE OVERVIEW PAPER ON MTN. ON BOTH ISSUES, CHRISTENSEN NOTED DANISH POSITIONS HAVE NOT CHANGED FROM THOSE OUTLINED DURING NORGAARD VISIT TO WASHINGTON IN EARLY MAY. ON ARTICLE XXIV:6, HE SAID DENMARK FEELS " WE OWE SOMETHING". HOW MUCH IS TO BE SUBJECT TO NEGOTIATION, BUT HE THOUGHT SOMETHING IN THE RANGE OF \$200-400 MILLION NOT UNREASONABLE. (IN REFTEL, HE HAD FIRST TALKED OF \$300-500 MILLION AND THEN SUGGESTED \$200 MILLION.) HE THOUGHT PRAGMATIC APPROACH OUTLINED BY RENNER WOULD BE BEST SOLUTION AND ONE WHICH DENMARK COULD SUPPORT. HOWEVER, HE FELT THAT CURRENT EMPHASIS ON " GATT LEGALITY" BY EC IS SOUND IN TECHNICAL SENSE AND A POSITION WHICH COULD BE MAINTAINED IF THERE WERE NO COLLECTIVE WILL ON PART OF EC TO CONCLUDE NEGOTIATIONS AMICABLY IN FASHION WHICH ALSO MEETS US POLITICAL NEEDS. IT WAS HIS IMPRESSION THAT COMMISSION IS CURRENTLY LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 COPENH 01408 201111 Z

HIDING BEHIND ITS PRESENT MANDATE FOR IT HAS NOT YET ASKED FOR ANOTHER.

3. CHRISTENSEN VISUALIZED TWO POSSIBLE SCENARIOS ON ARTICLE XXIV:6: (A) EC WOULD HOLD TO " LEGALLY SOUND" PRESENT POSITION UNTIL TIME TACTICALLY RIGHT FOR BREAKTHROUGH TO PRAGMATIC SOLUTION. THIS COULD BE PARTLY INTENTIONAL BUT ALSO DICTATED BY COUNCIL WORKLOAD. (HE THOUGHT COUNCIL AGENDA FOR JUNE 24-25 MEETING WOULD BE TOO LOADED TO TAKE UP ARTICLE XXIV:6 AT; THIS WOULD

MEAN SLIPPAGE INTO JULY BEFORE A CHANGED MANDATE COULD BE OBTAINED.) IN THIS SCENARIO, NEGOTIATIONS COULD STILL BE CONCLUDED BY THE END OF JULY, ALBEIT WITH HECTIC LAST MINUTE BARGAINING. (B) SINCE BASIC QUESTION FOR EC ON THIS NEGOTIATION, AS WELL AS FOR MTN, IS FRENCH ATTITUDE AND INTENTIONS, ALTERNATIVE SCENARIO WOULD BE ONE RESULTING FROM FRENCH FOOT- DRAGGING WHICH COULD DELAY CONCLUSION OF ARTICLE XXIV:6 NEGOTIATIONS BEYOND JULY WITH WHATEVER IMPLICATIONS THIS MIGHT HAVE TO US TRADE BILL AND MTN.

4. CHRISTENSEN, THEREFORE, SAW FRENCH AS KEY TO DEVELOPMENTS IN BOTH ARTICLE XXIV:6 AND MTN. HE SAID HE UNDERSTOOD THEIR RESERVATIONS AND CONCERNS ABOUT BOTH, EVEN THOUGH DENMARK (FOR ITS OWN GOOD REASONS) DID NOT SHARE THE. HE THOUGHT IT UNFORTUNATE THAT MTN SHOULD BE STARTING SO EARLY, SINCE HE FELT THAT NEXT GENERAL NEGOTIATION AFTER KENNEDY ROUND SHOULD HAVE BEEN ONE WITH GOAL OF REDUCING ALL INDUSTRIAL TARIFFS TO ZERO. THIS WILL NOW NOT BE POSSIBLE BECAUSE OF CONCERN, PARTICULARLY ON PART OF FRENCH, ABOUT " COMMUNITY IDENTITY". WHETHER LOGICAL OR NOT, THERE IS STRONG FEELING THAT CXT AND CAP ARE CEMENT HOLDING COMMUNITY TOGETHER. UNTIL THESE ARE REPLACED BY BOND OF ECONOMIC AND MONETARY UNION, FRENCH, IN PARTICULAR, ARE GOING TO BE VERY RELUCTANT TO NEGOTIATE ANY WEAKENING OF CXT AND CAP. HENCE THEIR WORRY ABOUT THE NATURE OF THE COMMISSION MANDATE FOR MTN AND INSISTENCE ON RESTRICTIVE LANGUAGE. CHRISTENSEN DID NOT THINK IT UNLIKELY THAT-- AT LATE HOUR-- FRENCH MAY SEEK TO CALL OFF TOKYO MEETING AND PROPOSE MTN START NEXT SPRING. THEY COULD USE INTERIM TO MAKE STRONG MOVE TOWARD ECONOMIC AND MONETARY UNION AND EXPECT TO BE COMPENSATED IN THIS BY BRITISH AND GERMANS FOR THEIR AGREEMENT ON EVENTUALLY PROCEEDING WITH MTN.

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 COPENH 01408 201111 Z

5. IN THIS ANALYSIS, CHRISTENSEN ALSO SAW POSSIBLE MOTIVATION FOR HARDNOSED FRENCH ATTITUDE TOWARD ARTICLE XXIV:6 NEGOTIATIONS, I. E., ONE WAY TO ENCOURAGE POSTPONEMENT OF AN MTN START IS TO DRAG OUT OR UNSUCCESSFULLY CONCLUDE PRESENT NEGOTIATIONS ON EC ENLARGEMENT.

6. THIS MESSAGE WAS DRAFTED AFTER MR. RENNER' S DEPARTURE FROM COPENHAGEN.
DUNNIGAN

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973COPENH01408
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: COPENHAGEN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730625/aaaajism.tel
Line Count: 166
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 COPENHAGEN 1232
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2001 by kellerpr>; APPROVED <13-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980218
Subject: ARTICLE XXIV:6 NEGOTIATIONS AND MTN: RENNER IN COPENHAGEN
TAGS: ETRD, DA, GATT
To: BONN
BRUSSELS
DUBLIN
EB
EC BRUSSELS
GENEVA
LONDON

SECSTATE WASHDC

THE HAGUE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005